

**CICERO PUBLIC SCHOOL DISTRICT NO. 99
CICERO, ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

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INDEPENDENT AUDITORS' OPINION

To the Board of Education
Cicero Public School District No. 99
Cicero, Illinois

We have audited the accompanying financial statements of

Cicero Public School District No. 99

as of and for the year ended June 30, 2016, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Cicero Public School District No. 99 in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. Also as described in Note 1, Cicero Public School District No. 99 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Cicero Public School District No. 99 as of June 30, 2016, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Cash Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Cicero Public School District No. 99 as of June 30, 2016, and the revenue it received and expenditures it paid during the fiscal year then ended, on the basis of accounting described in Note 1.

Change in Accounting Principle

As described in Note 20 to the financial statements, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to these matters.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cicero Public School District No. 99's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2016 on our consideration of Cicero Public School District No. 99's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cicero Public School District No. 99's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, the Board of Education, others within the organization, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 31, 2016



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Cicero Public School District No. 99
Cicero, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of

Cicero Public School District No. 99

as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Cicero Public School District No. 99's basic financial statements, and have issued our report thereon dated October 31, 2016. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cicero Public School District No. 99's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cicero Public School District No. 99's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cicero Public School District No. 99's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 31, 2016

BASIC FINANCIAL STATEMENTS

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
 ALL FUNDS AND ACCOUNT GROUPS
 AT JUNE 30, 2016

							ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY		CAPITAL PROJECTS	
	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION						
<u>ASSETS</u>										
Cash and Cash Equivalents	\$ 35,353,130	\$ 9,497,063	\$ 4,885,903	\$ 6,801,745	\$ 3,120,248	\$ 4,890,486				
Investments	96,689,388	-	-	-	-	-				
Capital Assets										
Land	-	-	-	-	-	-				
Building and Building Improvements	-	-	-	-	-	-				
Site Improvements and Infrastructure	-	-	-	-	-	-				
Capitalized Equipment	-	-	-	-	-	-				
Construction in Progress	-	-	-	-	-	-				
Amount Available in Debt Services Fund	-	-	-	-	-	-				
Amount to Be Provided for Payment of Long-Term Debt	-	-	-	-	-	-				
Total Assets	\$ 132,042,518	\$ 9,497,063	\$ 4,885,903	\$ 6,801,745	\$ 3,120,248	\$ 4,890,486				
<u>LIABILITIES AND FUND BALANCE</u>										
LIABILITIES										
Current Liabilities										
Payroll Deductions and Withholdings	\$ 13,736	\$ -	\$ -	\$ -	\$ -	\$ -				
Total Current Liabilities	\$ 13,736	\$ -	\$ -	\$ -	\$ -	\$ -				
Long-Term Liabilities										
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total Liabilities	\$ 13,736	\$ -	\$ -	\$ -	\$ -	\$ -				
FUND BALANCE										
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Fund Balance										
Reserved	-	792,143	-	-	-	-				
Unreserved										
Undesignated	132,028,782	8,704,920	4,885,903	6,801,745	3,120,248	4,890,486				
Total Fund Balance	\$ 132,028,782	\$ 9,497,063	\$ 4,885,903	\$ 6,801,745	\$ 3,120,248	\$ 4,890,486				
Total Liabilities and Fund Balance	\$ 132,042,518	\$ 9,497,063	\$ 4,885,903	\$ 6,801,745	\$ 3,120,248	\$ 4,890,486				

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
 ALL FUNDS AND ACCOUNT GROUPS
 AT JUNE 30, 2016

<u>ASSETS</u>	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
Cash and Cash Equivalents	\$ 5,188,689	\$ 3,045,835	\$ 1,115,697	\$ -	\$ -	\$ 73,898,796
Investments	-	-	-	-	-	96,689,388
Capital Assets						
Land	-	-	-	11,381,551	-	11,381,551
Building and Building Improvements	-	-	-	218,951,463	-	218,951,463
Site Improvements and Infrastructure	-	-	-	3,155,468	-	3,155,468
Capitalized Equipment	-	-	-	25,380,308	-	25,380,308
Construction in Progress	-	-	-	20,079,446	-	20,079,446
Amount Available in Debt Services Fund	-	-	-	-	4,885,903	4,885,903
Amount to Be Provided for Payment of Long-Term Debt	-	-	-	-	29,184,097	29,184,097
Total Assets	\$ 5,188,689	\$ 3,045,835	\$ 1,115,697	\$ 278,948,236	\$ 34,070,000	\$ 483,606,420
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Current Liabilities						
Payroll Deductions and Withholdings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,736
Total Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,736
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ 34,070,000	\$ 34,070,000
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 34,070,000	\$ 34,070,000
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 34,070,000	\$ 34,083,736
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 278,948,236	\$ -	\$ 278,948,236
Fund Balance						
Reserved	-	-	-	-	-	792,143
Unreserved						
Undesignated	5,188,689	3,045,835	1,115,697	-	-	169,782,305
Total Fund Balance	\$ 5,188,689	\$ 3,045,835	\$ 1,115,697	\$ 278,948,236	\$ -	\$ 449,522,684
Total Liabilities and Fund Balance	\$ 5,188,689	\$ 3,045,835	\$ 1,115,697	\$ 278,948,236	\$ 34,070,000	\$ 483,606,420

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 14,658,349	\$ 4,001,600	\$ 8,037,722	\$ 987,635	\$ 3,784,280
State Sources	71,845,148	7,000,000	-	2,793,993	400,000
Federal Sources	16,293,363	-	392,652	-	-
On-Behalf Payments	33,270,131	-	-	-	-
	\$ 136,066,991	\$ 11,001,600	\$ 8,430,374	\$ 3,781,628	\$ 4,184,280
EXPENDITURES DISBURSED					
Instruction	\$ 68,676,606	\$ -	\$ -	\$ -	\$ 1,302,125
Support Services	37,450,365	9,582,105	-	4,556,597	2,561,756
Community Services	605,022	-	-	-	7,564
Payments to Other Districts and Governmental Units	541,057	-	-	-	-
Debt Services	-	-	8,242,056	-	-
On-Behalf Payments	33,270,131	-	-	-	-
	\$ 140,543,181	\$ 9,582,105	\$ 8,242,056	\$ 4,556,597	\$ 3,871,445
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (4,476,190)	\$ 1,419,495	\$ 188,318	\$ (774,969)	\$ 312,835
OTHER FINANCING SOURCES (USES)					
Sale or Compensation for Fixed Assets	\$ -	\$ -	\$ -	\$ 4,200	\$ -
Interfund Transfers	-	-	-	-	25,000
	\$ -	\$ -	\$ -	\$ 4,200	\$ 25,000
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ (4,476,190)	\$ 1,419,495	\$ 188,318	\$ (770,769)	\$ 337,835
FUND BALANCE - JULY 1, 2015	136,504,972	8,077,568	4,697,585	7,572,514	2,782,413
FUND BALANCE - JUNE 30, 2016	\$ 132,028,782	\$ 9,497,063	\$ 4,885,903	\$ 6,801,745	\$ 3,120,248

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 86,624	\$ 37,644	\$ 1,495,900	\$ 7,834	\$ 33,097,588
State Sources	17,892,000	-	300,000	37,000	100,268,141
Federal Sources	-	-	-	-	16,686,015
On-Behalf Payments	-	-	-	-	33,270,131
	\$ 17,978,624	\$ 37,644	\$ 1,795,900	\$ 44,834	\$ 183,321,875
EXPENDITURES DISBURSED					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 69,978,731
Support Services	24,566,255	-	1,746,890	6,384	80,470,352
Community Services	-	-	-	-	612,586
Payments to Other Districts and Governmental Units	-	-	-	-	541,057
Debt Services	-	-	-	-	8,242,056
On-Behalf Payments	-	-	-	-	33,270,131
	\$ 24,566,255	\$ -	\$ 1,746,890	\$ 6,384	\$ 193,114,913
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (6,587,631)	\$ 37,644	\$ 49,010	\$ 38,450	\$ (9,793,038)
OTHER FINANCING SOURCES (USES)					
Sale or Compensation for Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ 4,200
Interfund Transfers	-	(25,000)	-	-	-
	\$ -	\$ (25,000)	\$ -	\$ -	\$ 4,200
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ (6,587,631)	\$ 12,644	\$ 49,010	\$ 38,450	\$ (9,788,838)
FUND BALANCE - JULY 1, 2015	11,478,117	5,176,045	2,996,825	1,077,247	180,363,286
FUND BALANCE - JUNE 30, 2016	\$ 4,890,486	\$ 5,188,689	\$ 3,045,835	\$ 1,115,697	\$ 170,574,448

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 10,959,160	\$ 2,894,856	\$ 8,003,305	\$ 827,291	\$ 1,395,893
Leasing Purposes Levy	28,106	-	-	-	-
Special Education Purpose Levy	-	28,106	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	1,406,226
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	2,432,965	923,588	-	-	962,378
Transportation Fees					
Regular Trans. Fees from Other Districts (In State)	-	-	-	98,741	-
Interest on Investments	992,824	59,003	34,417	55,050	19,783
Food Service					
Sales to Pupils - Lunch	155,968	-	-	-	-
Sales to Adults	1,044	-	-	-	-
District/School Activity Income					
Fees	3,054	-	-	-	-
Textbooks					
Other	105	-	-	-	-
Rentals	-	27,163	-	-	-
Contributions and Donations from Private Sources	14,467	-	-	-	-
Refund of Prior Years' Expenditures	21,154	4,288	-	5,333	-
Other Local Revenues	49,502	64,596	-	1,220	-
Total Local Sources	\$ 14,658,349	\$ 4,001,600	\$ 8,037,722	\$ 987,635	\$ 3,784,280
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ 59,093,179	\$ 7,000,000	\$ -	\$ -	\$ 400,000
General State Aid - Hold Harmless/Supplemental	4,595,762	-	-	-	-
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	920,943	-	-	-	-
Extraordinary	1,954,929	-	-	-	-
Personnel	2,057,577	-	-	-	-
Summer School	84,023	-	-	-	-
Career & Technical Education (CTE)					
Secondary Program Improvement	12,717	-	-	-	-
Bilingual Education					
Downstate - TPI & TBE	1,947,445	-	-	-	-
State Free Lunch and Breakfast	51,969	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	318,573	-
Special Education	-	-	-	2,475,420	-
Early Childhood - Block Grant	1,119,000	-	-	-	-
Other Restricted Revenue from State Sources	7,604	-	-	-	-
Total State Sources	\$ 71,845,148	\$ 7,000,000	\$ -	\$ 2,793,993	\$ 400,000

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ 4,826,537	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	1,507,468	-	-	-	-
Title I					
Low Income	4,932,013	-	-	-	-
Federal - Special Education					
Preschool - Flow Through	41,773	-	-	-	-
IDEA - Flow Through/Low Incidence	2,416,013	-	-	-	-
Build America Bond Interest Reimbursement	-	-	392,652	-	-
Emergency Immigrant Assistance	6,643	-	-	-	-
Title III - English Language Acquisition	711,350	-	-	-	-
Title II - Teacher Quality	382,764	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	615,594	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	853,208	-	-	-	-
Total Federal Sources	<u>\$ 16,293,363</u>	<u>\$ -</u>	<u>\$ 392,652</u>	<u>\$ -</u>	<u>\$ -</u>
Total Direct Revenue	<u>\$ 102,796,860</u>	<u>\$ 11,001,600</u>	<u>\$ 8,430,374</u>	<u>\$ 3,781,628</u>	<u>\$ 4,184,280</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ -	\$ 1,474,135	\$ -	\$ 25,554,640
Leasing Purposes Levy	- -	- -	- -	- -	28,106
Special Education Purpose Levy	- -	- -	- -	- -	28,106
FICA/Medicare Only Purposes Levy	- -	- -	- -	- -	1,406,226
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	- -	- -	- -	- -	4,318,931
Transportation Fees					
Regular Trans. Fees from Other Districts (In State)	- -	- -	- -	- -	98,741
Interest on Investments	83,479	37,644	21,765	7,834	1,311,799
Food Service					
Sales to Pupils - Lunch	- -	- -	- -	- -	155,968
Sales to Adults	- -	- -	- -	- -	1,044
District/School Activity Income					
Fees	- -	- -	- -	- -	3,054
Textbooks					
Other	- -	- -	- -	- -	105
Rentals	- -	- -	- -	- -	27,163
Contributions and Donations from Private Sources	- -	- -	- -	- -	14,467
Refund of Prior Years' Expenditures	3,145	- -	- -	- -	33,920
Other Local Revenues	- -	- -	- -	- -	115,318
Total Local Sources	\$ 86,624	\$ 37,644	\$ 1,495,900	\$ 7,834	\$ 33,097,588
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ 17,892,000	\$ -	\$ 300,000	\$ 37,000	\$ 84,722,179
General State Aid - Hold Harmless/Supplemental	- -	- -	- -	- -	4,595,762
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	- -	- -	- -	- -	920,943
Extraordinary	- -	- -	- -	- -	1,954,929
Personnel	- -	- -	- -	- -	2,057,577
Summer School	- -	- -	- -	- -	84,023
Career & Technical Education (CTE)					
Secondary Program Improvement	- -	- -	- -	- -	12,717
Bilingual Education					
Downstate - TPI & TBE	- -	- -	- -	- -	1,947,445
State Free Lunch and Breakfast	- -	- -	- -	- -	51,969
Transportation					
Regular/Vocational	- -	- -	- -	- -	318,573
Special Education	- -	- -	- -	- -	2,475,420
Early Childhood - Block Grant	- -	- -	- -	- -	1,119,000
Other Restricted Revenue from State Sources	- -	- -	- -	- -	7,604
Total State Sources	\$ 17,892,000	\$ -	\$ 300,000	\$ 37,000	\$ 100,268,141

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the					
Federal Government through the State					
Food Service					
National School Lunch Program	\$	-	\$	-	\$
School Breakfast Program		-	-	-	
Title I					
Low Income		-	-	-	
Federal - Special Education					
Preschool - Flow Through		-	-	-	
IDEA - Flow Through/Low Incidence		-	-	-	
Build America Bond Interest Reimbursement		-	-	-	
Emergency Immigrant Assistance		-	-	-	
Title III - English Language Acquisition		-	-	-	
Title II - Teacher Quality		-	-	-	
Medicaid Matching Funds - Administrative Outreach		-	-	-	
Medicaid Matching Funds - Fee-For-Service Program		-	-	-	
Total Federal Sources	\$	-	\$	-	\$
Total Direct Revenue	\$	17,978,624	\$	37,644	\$
				1,795,900	
				\$	44,834
					\$
					150,051,744

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Instruction		
Regular Programs		
Salaries	\$ 31,239,419	\$ 31,235,783
Employee Benefits	6,716,687	6,327,885
Purchased Services	27,700	11,964
Supplies and Materials	1,342,033	739,803
Capital Outlay	20,000	-
Non-Capitalized Equipment	202,000	38,737
	<u>\$ 39,547,839</u>	<u>\$ 38,354,172</u>
Pre-K Programs		
Salaries	\$ 1,167,502	\$ 998,210
Employee Benefits	301,053	231,769
Purchased Services	8,415	8,415
Supplies and Materials	144,197	91,610
Non-Capitalized Equipment	5,156	2,148
	<u>\$ 1,626,323</u>	<u>\$ 1,332,152</u>
Special Education Programs		
Salaries	\$ 9,749,783	\$ 9,200,186
Employee Benefits	2,386,304	2,045,636
Purchased Services	41,864	37,415
Supplies and Materials	135,263	92,860
Non-Capitalized Equipment	4,300	1,654
	<u>\$ 12,317,514</u>	<u>\$ 11,377,751</u>
Special Education Programs Pre-K		
Salaries	\$ 592,686	\$ 540,367
Employee Benefits	122,482	111,691
Purchased Services	16,000	15,057
Supplies and Materials	36,650	7,398
Non-Capitalized Equipment	9,335	-
	<u>\$ 777,153</u>	<u>\$ 674,513</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 1,051,423	\$ 572,498
Employee Benefits	460,295	265,708
Purchased Services	900,023	717,173
Supplies and Materials	390,169	211,759
Non-Capitalized Equipment	74,283	-
	<u>\$ 2,876,193</u>	<u>\$ 1,767,138</u>
Interscholastic Programs		
Salaries	\$ 20,500	\$ 20,611
Purchased Services	10,500	8,020
Supplies and Materials	6,780	6,780
	<u>\$ 37,780</u>	<u>\$ 35,411</u>
Summer School Programs		
Salaries	\$ 174,188	\$ 153,794
Employee Benefits	753	543
Purchased Services	100,000	60,697
Supplies and Materials	3,500	722
	<u>\$ 278,441</u>	<u>\$ 215,756</u>
Gifted Programs		
Purchased Services	\$ 125	\$ 125
Supplies and Materials	1,000	440
	<u>\$ 1,125</u>	<u>\$ 565</u>
Bilingual Programs		
Salaries	\$ 10,800,313	\$ 10,390,577
Employee Benefits	1,943,895	1,739,995
Purchased Services	63,114	2,802
Supplies and Materials	774,529	663,783
	<u>\$ 13,581,851</u>	<u>\$ 12,797,157</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 EDUCATIONAL FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Instruction (Continued)		
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 400,000	\$ 277,833
Special Education Programs K-12	1,920,000	1,844,158
Special Education Programs Pre-K	10,000	-
	<u>\$ 2,330,000</u>	<u>\$ 2,121,991</u>
Total Instruction	<u>\$ 73,374,219</u>	<u>\$ 68,676,606</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,518,011	\$ 1,468,798
Employee Benefits	291,739	255,722
Purchased Services	600	444
Supplies and Materials	1,750	17
	<u>\$ 1,812,100</u>	<u>\$ 1,724,981</u>
Guidance Services		
Salaries	\$ 8,720	\$ 7,969
Purchased Services	2,660	2,668
Supplies and Materials	1,090	1,090
	<u>\$ 12,470</u>	<u>\$ 11,727</u>
Health Services		
Salaries	\$ 898,913	\$ 860,780
Employee Benefits	211,437	168,330
Purchased Services	108,000	50,243
Supplies and Materials	12,335	11,889
Non-Capitalized Equipment	5,500	-
	<u>\$ 1,236,185</u>	<u>\$ 1,091,242</u>
Psychological Services		
Salaries	\$ 852,646	\$ 835,009
Employee Benefits	210,134	157,766
Purchased Services	631,190	616,673
Supplies and Materials	7,000	641
	<u>\$ 1,700,970</u>	<u>\$ 1,610,089</u>
Speech Pathology and Audiology Services		
Salaries	\$ 588,834	\$ 511,502
Employee Benefits	135,631	115,016
Purchased Services	2,075,872	1,983,503
Supplies and Materials	3,150	2,020
	<u>\$ 2,803,487</u>	<u>\$ 2,612,041</u>
Other Support Services - Pupils		
Purchased Services	\$ 1,835,000	\$ 1,662,171
Supplies and Materials	10,255	8,527
Non-Capitalized Equipment	5,250	-
	<u>\$ 1,850,505</u>	<u>\$ 1,670,698</u>
Total Support Services - Pupils	<u>\$ 9,415,717</u>	<u>\$ 8,720,778</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 3,048,606	\$ 2,259,810
Employee Benefits	1,288,565	1,023,062
Purchased Services	970,374	581,899
Supplies and Materials	251,096	66,990
Other Objects	25,710	16,458
	<u>\$ 5,584,351</u>	<u>\$ 3,948,219</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 EDUCATIONAL FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Educational Media Services		
Salaries	\$ 713,068	\$ 698,137
Employee Benefits	185,578	123,860
Purchased Services	3,582,760	2,103,777
Supplies and Materials	466,374	304,226
Capital Outlay	358,000	21,752
Non-Capitalized Equipment	317,000	166,709
	<u>\$ 5,622,780</u>	<u>\$ 3,418,461</u>
Assessment and Testing		
Salaries	\$ 337,164	\$ 329,653
Employee Benefits	49,094	46,322
Purchased Services	842,740	651,186
Supplies and Materials	48,678	36,868
Non-Capitalized Equipment	4,400	-
	<u>\$ 1,282,076</u>	<u>\$ 1,064,029</u>
Total Support Services - Instructional Staff	<u>\$ 12,489,207</u>	<u>\$ 8,430,709</u>
General Administration		
Board of Education Services		
Salaries	\$ 610,611	\$ 536,818
Employee Benefits	1,213,500	1,157,344
Purchased Services	579,800	533,821
Supplies and Materials	25,000	34,501
Other Objects	56,000	46,512
Termination Benefits	40,000	9,825
	<u>\$ 2,524,911</u>	<u>\$ 2,318,821</u>
Executive Administration Services		
Salaries	\$ 689,597	\$ 695,873
Employee Benefits	152,010	136,080
Purchased Services	26,000	25,552
Supplies and Materials	2,500	1,221
	<u>\$ 870,107</u>	<u>\$ 858,726</u>
Special Area Administration Services		
Salaries	\$ 1,354,781	\$ 1,351,042
Employee Benefits	401,321	387,508
Purchased Services	13,090	7,601
Supplies and Materials	20,726	11,623
Non-Capitalized Equipment	750	-
	<u>\$ 1,790,668</u>	<u>\$ 1,757,774</u>
Total Support Services - General Administration	<u>\$ 5,185,686</u>	<u>\$ 4,935,321</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 5,064,683	\$ 5,050,952
Employee Benefits	1,224,790	1,186,666
Purchased Services	271,000	251,380
Supplies and Materials	111,465	98,933
Other Objects	500	-
Non-Capitalized Equipment	2,000	-
	<u>\$ 6,674,438</u>	<u>\$ 6,587,931</u>
Total Support Services - School Administration	<u>\$ 6,674,438</u>	<u>\$ 6,587,931</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 EDUCATIONAL FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Salaries	\$ 355,096	\$ 349,720
Employee Benefits	85,076	84,614
Purchased Services	15,172	14,263
Supplies and Materials	1,701	552
Other Objects	2,000	1,135
	<u>\$ 459,045</u>	<u>\$ 450,284</u>
Fiscal Services		
Salaries	\$ 303,486	\$ 302,298
Employee Benefits	71,654	58,030
Purchased Services	241,355	175,262
Supplies and Materials	42,000	40,344
Other Objects	2,000	186
Non-Capitalized Equipment	4,000	-
	<u>\$ 664,495</u>	<u>\$ 576,120</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 108,294	\$ 105,625
Employee Benefits	11,563	11,231
Purchased Services	256,039	171,914
Supplies and Materials	8,000	2,567
Capital Outlay	20,000	-
Non-Capitalized Equipment	2,000	-
	<u>\$ 405,896</u>	<u>\$ 291,337</u>
Pupil Transportation Services		
Salaries	\$ 2,000	\$ 946
	<u>\$ 2,000</u>	<u>\$ 946</u>
Food Services		
Salaries	\$ 2,079,100	\$ 2,009,274
Employee Benefits	53,000	28,242
Purchased Services	121,500	104,200
Supplies and Materials	4,633,986	4,419,099
Capital Outlay	12,000	10,195
Other Objects	1,000	287
Non-Capitalized Equipment	113,000	101,148
	<u>\$ 7,013,586</u>	<u>\$ 6,672,445</u>
Total Support Services - Business	<u>\$ 8,545,022</u>	<u>\$ 7,991,132</u>
Central		
Staff Services		
Salaries	\$ 550,852	\$ 512,656
Employee Benefits	104,797	89,671
Purchased Services	195,965	165,722
Supplies and Materials	39,615	10,523
Other Objects	13,500	5,190
Non-Capitalized Equipment	19,960	-
	<u>\$ 924,689</u>	<u>\$ 783,762</u>
Total Support Services - Central	<u>\$ 924,689</u>	<u>\$ 783,762</u>
Other Support Services		
Supplies and Materials	\$ 4,500	\$ 732
Total Other Support Services	<u>\$ 4,500</u>	<u>\$ 732</u>
Total Support Services	<u>\$ 43,239,259</u>	<u>\$ 37,450,365</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Community Services		
Salaries	\$ 333,776	\$ 248,128
Employee Benefits	136,516	104,450
Purchased Services	213,329	97,779
Supplies and Materials	314,700	154,665
Capital Outlay	7,425	-
Non-Capitalized Equipment	3,867	-
Total Community Services	<u>\$ 1,009,613</u>	<u>\$ 605,022</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 290,000	\$ 271,810
<u>\$ 290,000</u>		
Payments for Adult/Continuing Education Programs		
Purchased Services	\$ 10,000	\$ -
<u>\$ 10,000</u>		
Other Payments to In-State Governmental Units		
Other Objects	\$ 96,500	\$ 95,971
<u>\$ 96,500</u>		
Total Payments to Other Governmental Units (In-State)	<u>\$ 396,500</u>	<u>\$ 367,781</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 171,000	\$ 165,321
Payments for Other Programs		
Other Objects	8,085	7,955
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 179,085</u>	<u>\$ 173,276</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 575,585</u>	<u>\$ 541,057</u>
Provision for Contingencies	<u>\$ 50,000</u>	<u>\$ -</u>
Total Direct Expenditures	<u>\$ 118,248,676</u>	<u>\$ 107,273,050</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Support Services		
Business		
Operation and Maintenance of Plant Services		
Salaries	\$ 5,404,000	\$ 5,177,533
Employee Benefits	1,064,133	954,786
Purchased Services	1,459,500	1,185,610
Supplies and Materials	2,352,500	1,862,566
Capital Outlay	462,494	196,971
Non-Capitalized Equipment	429,000	204,639
	<hr/> \$ 11,171,627	<hr/> \$ 9,582,105
Total Support Services - Business	<hr/> \$ 11,171,627	<hr/> \$ 9,582,105
Total Support Services	<hr/> \$ 11,171,627	<hr/> \$ 9,582,105
Total Direct Expenditures	<hr/> \$ 11,171,627	<hr/> \$ 9,582,105

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
DEBT SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt	\$ 1,988,231	\$ 1,988,231
Other Objects	<u>\$ 1,988,231</u>	<u>\$ 1,988,231</u>
Total Debt Services - Interest	<u>\$ 1,988,231</u>	<u>\$ 1,988,231</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 6,250,000	\$ 6,250,000
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 6,250,000</u>	<u>\$ 6,250,000</u>
Debt Services - Other		
Other Objects	\$ 4,500	\$ 3,825
Total Debt Services - Other	<u>\$ 4,500</u>	<u>\$ 3,825</u>
Total Debt Services	<u>\$ 8,242,731</u>	<u>\$ 8,242,056</u>
Total Direct Expenditures	<u>\$ 8,242,731</u>	<u>\$ 8,242,056</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	\$ 2,075,591	\$ 1,986,110
Employee Benefits	568,700	550,246
Purchased Services	2,036,766	1,820,091
Supplies and Materials	233,734	157,175
Capital Outlay	10,000	-
Non-Capitalized Equipment	48,000	42,975
	<hr/> \$ 4,972,791	<hr/> \$ 4,556,597
Total Support Services - Business	<hr/> \$ 4,972,791	<hr/> \$ 4,556,597
Total Support Services	<hr/> \$ 4,972,791	<hr/> \$ 4,556,597
Total Direct Expenditures	<hr/> \$ 4,972,791	<hr/> \$ 4,556,597

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 479,864	\$ 479,752
Pre-K Programs		
Employee Benefits	71,034	59,548
Special Education Programs		
Employee Benefits	710,682	570,525
Special Education Programs - Pre-K		
Employee Benefits	30,636	25,820
Remedial and Supplemental Programs - K-12		
Employee Benefits	15,700	8,210
Interscholastic Programs		
Employee Benefits	521	299
Summer School Programs		
Employee Benefits	13,924	12,878
Bilingual Programs		
Employee Benefits	160,387	145,093
Total Instruction	<u>\$ 1,482,748</u>	<u>\$ 1,302,125</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 23,510	\$ 20,453
Health Services		
Employee Benefits	172,861	158,444
Psychological Services		
Employee Benefits	15,612	11,604
Speech Pathology and Audiology Services		
Employee Benefits	9,988	7,013
Total Supports Services - Pupils	<u>\$ 221,971</u>	<u>\$ 197,514</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 55,659	\$ 40,470
Educational Media Services		
Employee Benefits	80,868	78,780
Assessment and Testing		
Employee Benefits	30,027	28,475
Total Support Services - Instructional Staff	<u>\$ 166,554</u>	<u>\$ 147,725</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 25,259	\$ 19,037
Executive Administration Services		
Employee Benefits	44,667	43,952
Special Area Administrative Services		
Employee Benefits	99,549	92,172
Total Support Services - General Administration	<u>\$ 169,475</u>	<u>\$ 155,161</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 356,210	\$ 350,450
Total Support Services - School Administration	<u>\$ 356,210</u>	<u>\$ 350,450</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 29,114	\$ 25,368
Fiscal Services		
Employee Benefits	56,591	55,200
Operation and Maintenance of Plant Services		
Employee Benefits	1,044,440	967,374
Pupil Transportation Services		
Employee Benefits	409,375	365,427
Food Services		
Employee Benefits	255,200	245,047
Total Support Services - Business	<u>\$ 1,794,720</u>	<u>\$ 1,658,416</u>
Central		
Staff Services		
Employee Benefits	\$ 53,613	\$ 52,490
Total Support Services - Central	<u>\$ 53,613</u>	<u>\$ 52,490</u>
Total Support Services	<u>\$ 2,762,543</u>	<u>\$ 2,561,756</u>
Community Services		
Employee Benefits	\$ 11,092	\$ 7,564
Total Community Services	<u>\$ 11,092</u>	<u>\$ 7,564</u>
Total Direct Expenditures	<u>\$ 4,256,383</u>	<u>\$ 3,871,445</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 79,000	\$ 4,334
Supplies and Materials	10,000	-
Capital Outlay	<u>29,383,401</u>	<u>24,561,921</u>
Total Support Services - Business	<u>\$ 29,472,401</u>	<u>\$ 24,566,255</u>
Total Support Services	<u>\$ 29,472,401</u>	<u>\$ 24,566,255</u>
Total Direct Expenditures	<u>\$ 29,472,401</u>	<u>\$ 24,566,255</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TORT FUND
FOR THE YEAR ENDED JUNE 30, 2016

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 1,277,000	\$ 1,256,050
	<u>\$ 1,277,000</u>	<u>\$ 1,256,050</u>
Unemployment Insurance Payments		
Purchased Services	\$ 60,000	\$ 28,721
	<u>\$ 60,000</u>	<u>\$ 28,721</u>
Insurance Payments		
Purchased Services	\$ 510,000	\$ 462,119
	<u>\$ 510,000</u>	<u>\$ 462,119</u>
Total Support Services - General Administration	<u>\$ 1,847,000</u>	<u>\$ 1,746,890</u>
Total Support Services	<u>\$ 1,847,000</u>	<u>\$ 1,746,890</u>
Total Direct Expenditures	<u>\$ 1,847,000</u>	<u>\$ 1,746,890</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
FIRE PREVENTION AND SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2016

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 43,000	\$ 6,384
Total Support Services - Business	<u>\$ 43,000</u>	<u>\$ 6,384</u>
Total Support Services	<u>\$ 43,000</u>	<u>\$ 6,384</u>
Total Direct Expenditures	<u>\$ 43,000</u>	<u>\$ 6,384</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cicero Public School District No. 99's (District) accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. *Principles Used to Determine Scope of Entity*

The reporting entity includes the governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit its citizens, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. *Basis of Presentation – Fund Accounting*

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed.

The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition, and textbook rentals.

Operations and Maintenance Fund – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings. Operations of this fund are generally financed by a special tax levied for these purposes and contributions and donations from private sources. Special Education is included in this fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basis of Presentation – Fund Accounting* (Continued)

Debt Services Fund – The Debt Services Fund is used to account for all principal, interest, and administrative costs for debt payments. Operations of this fund are generally financed by a special tax levied for these purposes or operating transfers from other funds.

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Working Cash Fund – The Working Cash Fund is used to account for a separate tax levied for working cash purposes and for any bonds sold for this purpose. Cash available in this fund may be loaned to any fund of the District.

Tort Fund – The Tort Fund is used to account for a separate tax levied for tort immunity or tort judgment purposes and for any bonds sold for this purpose.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund is used to account for the proceeds of specific revenue sources that are legally restricted for fire prevention and safety projects.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District.

Measurement Focus

The financial statements of all funds, except the two account groups, focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets.

Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basis of Presentation – Fund Accounting* (Continued)

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted for in the General Fixed Assets Account Group rather than in the funds. Long-term liabilities expected to be financed from the funds are accounted for in the General Long-Term Debt Account Group, not in the funds.

The two account groups are not “funds.” They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. *Basis of Accounting*

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

D. *Budgets and Budgetary Accounting*

The budget for all funds is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The original budget was approved on September 23, 2015. The amended budget was approved on June 15, 2016.

For each fund, total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Budgets and Budgetary Accounting* (Continued)

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their balances in common accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally, certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by Board action.

No District fund had a cash overdraft at June 30, 2016.

Cash and cash equivalents are considered to be cash on hand, checking accounts, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

F. *Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the funds for which the asset was purchased and capitalized at cost, if over \$5,000, in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge, which is calculated on a straight-line basis with useful lives of 50 years for Buildings, 20 years for Improvements Other than Buildings, and 5 to 10 years for Equipment).

I. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are legally segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside or "designate" resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans and can be changed.

J. *Property Tax Calendar and Revenues*

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the Board on December 9, 2015. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in March and early in September. The District receives significant distributions of tax receipts on each due date and for about ninety days thereafter.

K. *Total Memorandum Only*

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

Investments

As of June 30, 2016, the District had the following investments and maturities:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pools	\$ 1,992,236	\$ 1,992,236	\$ -	\$ -	\$ -
Federal Home Loan Mtg Corp	12,750,000	-	12,750,000	-	-
Federal Home Loan Bank	11,048,219	-	11,048,219	-	-
Fannie Mae	30,157,780	-	27,051,400	3,106,380	-
Federal Farm Credit Bank	1,500,000	-	1,500,000	-	-
Municipal Bonds	2,620,303	1,010,720	1,609,583	-	-
Totals	\$ 60,068,538	\$ 3,002,956	\$ 53,959,202	\$ 3,106,380	\$ -

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pools are not SEC-registered, but do have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2016, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pools	AAAm	Standard and Poor's
State Investment Pools	Not Rated	N/A
Federal Home Loan Mtg Corp	AA+	Standard and Poor's
Federal Home Loan Bank	AA+	Standard and Poor's
Fannie Mae	AA+	Standard and Poor's
Federal Farm Credit Bank	AA+	Standard and Poor's
Municipal Bonds	Aa2	Moody's

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in Federal Home Loan Bank (18%), Federal Home Loan Mortgage Corporation (21%) and Fannie Mae (50%).

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2016:

Investments by fair value level	Fair Value Measurements Using:	
	Quoted Prices in Active Markets for Identical Assets (Level 1)	6/30/2016
State Investment Pools	\$ 1,992,236	\$ 1,992,236
Federal Home Loan Mtg Corp	12,750,000	12,750,000
Federal Home Loan Bank	11,048,219	11,048,219
Fannie Mae	30,157,780	30,157,780
Federal Farm Credit Bank	1,500,000	1,500,000
Municipal Bonds	2,620,303	2,620,303
Total Investments by fair value level	\$ 60,068,538	\$ 60,068,538

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Land	\$ 11,381,551	\$ -	\$ -	\$ 11,381,551
Buildings and Building Improvements	212,078,787	6,872,676	-	218,951,463
Site Improvements and Infrastructure	2,862,600	292,868	-	3,155,468
Capitalized Equipment	25,424,211	199,540	243,443	25,380,308
Construction in Progress	2,653,692	17,425,754	-	20,079,446
	<u>\$ 254,400,841</u>	<u>\$ 24,790,838</u>	<u>\$ 243,443</u>	<u>\$ 278,948,236</u>

NOTE 5 - CHANGES IN GENERAL LONG-TERM DEBT

Changes in general long-term debt are summarized as follows:

	Balance July 1, 2015	Additions	Retirement	Balance June 30, 2016	Amounts Due Within One Year
Long-Term Debt					
General Obligation Bonds					
Dated 5/15/1997	\$ 3,500,000	\$ -	\$ 1,685,000	\$ 1,815,000	\$ 1,815,000
General Obligation Limited Bonds					
Dated 6/1/2006	1,820,000	-	865,000	955,000	955,000
Dated 3/5/2008	1,235,000	-	600,000	635,000	635,000
Dated 6/9/2009	4,930,000	-	-	4,930,000	-
Dated 9/29/2009	22,450,000	-	-	22,450,000	-
General Obligation Refunding Bonds					
Dated 6/1/2006	5,045,000	-	2,445,000	2,600,000	2,600,000
Dated 6/1/2006	1,340,000	-	655,000	685,000	685,000
Total Long-Term Debt	<u>\$ 40,320,000</u>	<u>\$ -</u>	<u>\$ 6,250,000</u>	<u>\$ 34,070,000</u>	<u>\$ 6,690,000</u>

Bonds and notes payable consisted of the following at June 30, 2016:

Long-Term Debt	Maturity Date	Interest Rate	Face Amount	Carrying Amount
General Obligation Bonds				
Dated 5/15/1997	12/1/2016	4.1% - 8.5%	\$ 21,135,000	\$ 1,815,000
General Obligation Limited Bonds				
Dated 6/1/2006	12/1/2016	6.125%	5,000,000	955,000
Dated 3/5/2008	12/1/2016	3.550%	8,000,000	635,000
Dated 6/9/2009	12/1/2018	3.00% - 5.00%	4,930,000	4,930,000
Dated 9/29/2009 (1)	12/1/2025	4.60% - 5.70%	22,450,000	22,450,000
General Obligation Refunding Bonds				
Dated 6/1/2006	12/1/2016	4.00% - 5.00%	11,325,000	2,600,000
Dated 6/1/2006	12/1/2016	4.00% - 5.00%	4,495,000	685,000

(1) Build America Bonds include a provision that 35% of the interest paid will be rebated to the District from the US Treasury.

At June 30, 2016 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total	Rebate
2017	\$ 6,690,000	\$ 1,602,197	\$ 8,292,197	\$ 421,300
2018	2,635,000	1,360,931	3,995,931	419,328
2019	2,715,000	1,251,834	3,966,834	415,917
2020	2,845,000	1,115,941	3,960,941	390,580
2021	2,935,000	974,286	3,909,286	341,000
2022	3,030,000	822,131	3,852,131	287,746
2023	3,135,000	659,098	3,794,098	230,685
2024	3,240,000	482,505	3,722,505	168,877
2025	3,360,000	294,405	3,654,405	103,042
2026	3,485,000	99,324	3,584,324	34,765
	<u>\$ 34,070,000</u>	<u>\$ 8,662,652</u>	<u>\$ 42,732,652</u>	<u>\$ 2,813,240</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - SPECIAL TAX LEVIES AND RESERVED EQUITY

A. *Special Education Tax Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Operations and Maintenance Fund. A portion, \$792,143, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is reserved for future special education disbursements in accordance with the Illinois State Board of Education.

B. *Social Security Tax Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. The current year disbursements exceeded the current year receipts and any prior year carryover balance. Accordingly, there is no equity reserve balance for this special tax levy.

C. *Leasing Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Educational Fund. The current year disbursements exceeded the current year receipts and any prior year carryover balance. Accordingly, there is no equity reserve balance for this special tax levy.

NOTE 7 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2016.

NOTE 8 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2014 and prior (\$14,076,366) and 2015 (\$12,940,712) tax levies.

A summary of the past three years assessed valuations, tax rates, and extensions follows:

TAX YEAR ASSESSED VALUATION	2015		2014		2013	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	2.1353	\$ 11,722,445	2.0180	\$ 11,481,559	1.8883	\$ 11,317,168
Tort Immunity	0.2872	1,576,869	0.2714	1,544,328	0.2542	1,523,440
Special Education	0.0047	25,788	0.0059	33,355	0.0053	31,774
Operations and Maintenance	0.5500	3,019,387	0.5452	3,101,755	0.5281	3,164,750
Transportation	0.1630	895,036	0.1507	857,638	0.1391	833,944
Illinois Municipal Retirement	0.2777	1,524,351	0.2522	1,435,080	0.2214	1,321,191
Debt Service	1.5489	8,503,186	1.4827	8,435,857	1.4005	8,393,562
Social Security	0.2665	1,462,881	0.2658	1,512,204	0.2273	1,361,974
Leasing Educational Facilities	0.0047	25,788	0.0059	33,355	0.0053	31,774
	<u>5.2380</u>	<u>\$ 28,755,731</u>	<u>4.9978</u>	<u>\$ 28,435,131</u>	<u>4.6695</u>	<u>\$ 27,979,577</u>

NOTE 9 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2016, no District fund had expenditures that exceeded the budgeted amounts.

NOTE 10 - OPERATING LEASES, AS LESSEE

The District, as lessee, leases a mailing system, copiers, and buses.

Minimum annual rentals are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - OPERATING LEASES, AS LESSEE (Continued)

Year Ending June 30	Amount
2017	\$ 660,028
2018	804,665
2019	318,426
2020	187,128
	<u>\$ 1,970,247</u>

Rental expense under these leases for the year ended June 30, 2016 was \$847,049.

NOTE 11 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

➤ General Information About the Pension Plan

○ **Plan Description**

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

○ **Benefits Provided**

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Teachers' Retirement System of the State of Illinois* (Continued)

➤ **General Information About the Pension Plan** (Continued)

○ **Benefits Provided** (Continued)

or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or $\frac{1}{2}\%$ of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

○ **Contributions**

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

▪ **On-Behalf Contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$32,601,085 in pension contributions from the State of Illinois.

▪ **2.2 Formula Contributions**

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016 were \$362,661.

▪ **Federal and Special Trust Fund Contributions**

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the District pension contribution was 36.06% of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$2,666,028 were paid from federal and special trust funds that required District contributions of \$961,370.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Teachers' Retirement System of the State of Illinois* (Continued)

➤ **General Information About the Pension Plan** (Continued)

○ **Contributions** (Continued)

▪ **Employer Retirement Cost Contributions**

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District paid \$0 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District paid \$66,287 to TRS for employer contributions due on salary increases in excess of 6% and \$661 for sick leave days granted in excess of the normal annual allotment.

➤ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the District has a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The District's proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 24,804,656
State's proportionate share of the net pension liability associated with the District	397,921,498
Total Net Pension Liability	<u>\$ 422,726,154</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2015, the District's proportion was 0.0378639%, which was a decrease of 0.0000656% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$32,601,085 and revenue of \$32,601,085 for support provided by the State. At June 30, 2016, the deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Teachers' Retirement System of the State of Illinois* (Continued)

➤ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 9,218	\$ (27,189)	\$ (17,971)
Net difference between projected and actual earnings on pension investments	491,239	(868,576)	(377,337)
Assumption changes	343,023	-	343,023
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,662	(33,413)	(30,751)
Employer contributions subsequent to the measurement date	1,324,031	-	1,324,031
	<u>\$ 2,170,173</u>	<u>\$ (929,178)</u>	<u>\$ 1,240,995</u>

\$1,324,031 of deferred outflows of resources related to pensions results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending	Amount
June 30	
2017	\$ (91,045)
2018	(91,045)
2019	(91,045)
2020	190,099
	<u>\$ (83,036)</u>

○ **Actuarial Assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.5%, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5%, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Teachers' Retirement System of the State of Illinois* (Continued)

➤ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

○ **Actuarial Assumptions** (Continued)

were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0% to 7.5%. The salary increase and inflation assumptions were also lowered from their 2013 levels.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S large cap	18.0%	7.53%
Global equity excluding U.S	18.0%	7.88%
Aggregate bonds	16.0%	1.57%
U.S TIPS	2.0%	2.82%
NCREIF	11.0%	5.11%
Opportunistic real estate	4.0%	9.09%
ARS	8.0%	2.57%
Risk Parity	8.0%	4.87%
Diversified inflation strategy	1.0%	3.26%
Private Equity	14.0%	12.33%
	100.0%	

○ **Discount Rate**

At June 30, 2015, the discount rate used to measure total pension liability was a blended rate of 7.47%, which was a change from the June 30, 2014 rate of 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Teachers' Retirement System of the State of Illinois* (Continued)

➤ **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

○ **Discount Rate** (Continued)

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50%. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

○ **Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47%) or 1-percentage-point-higher (8.47%) than the current rate.

	1% Decrease 6.47%	Current Discount Rate 7.47%	1% Increase 8.47%
Employer's proportionate share of the net pension liability	\$ 30,652,473	\$ 24,804,656	\$ 20,009,288

○ **TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. *Illinois Municipal Retirement Fund*

➤ **Plan Description**

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. That report may be obtained on line at www.imrf.org.

➤ **Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Benefits Provided** (Continued)

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

➤ **Employees Covered by Benefit Terms**

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. At December 31, 2015, the measurement date, the District's membership consisted of:

Retirees and beneficiaries currently receiving benefits	220
Inactive plan members entitled to but not yet receiving benefits	349
Active plan members	447
Total	<u>1016</u>

➤ **Contributions**

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 11.01%. For the fiscal year ended June 30, 2016, the District contributed \$1,755,513 to the Plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Net Pension Liability**

The components of the net pension liability of the IMRF as of December 31, 2015, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 67,720,335
IMRF Fiduciary Net Position	56,200,783
District's Net Pension Liability	11,519,552
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	82.99%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the Plan.

➤ **Actuarial Assumptions**

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Assumptions	
Inflation	3.50%
Price Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.48%

Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

➤ **Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Long-Term Expected Rate of Return** (Continued)

Asset Class	Target Allocation	Projected Return
Equities	38.0%	7.39%
International Equities	17.0%	7.59%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	6.00%
Alternatives	9.0%	
Private Equity		8.15%
Hedge Funds		5.25%
Commodities		2.75%
Cash	1.0%	2.25%
	<hr/> <u>100.0%</u>	

➤ **Single Discount Rate**

The projection of cash flow used to determine this Single Discount Rate assumed that the Plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and resulting single discount rate is 7.48%.

➤ **Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.48% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.48%) or 1-percentage-point higher (8.48%) than the current rate:

Net Pension Liability	1% Decrease 6.48%	Current Discount Rate 7.48%	1% Increase 8.48%
	\$ 21,399,156	\$ 11,519,552	\$ 3,512,146

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the District's pension expense is \$4,225,250. At June 30, 2016, the District's deferred outflows of resources and deferred inflows of resources related to pension from the following sources were as follows:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 1,318,890	\$ -	\$ 1,318,890
Assumption changes	1,391,958	-	1,391,958
Net difference between projected and actual earnings on pension investments	<u>3,601,390</u>	-	<u>3,601,390</u>
Total deferred amounts to be recognized in pension expense in future periods	\$ 6,312,238	\$ -	\$ 6,312,238
Pension contributions made subsequent to the measurement date	838,697	-	838,697
Total deferred amounts related to pensions	<u>\$ 7,150,935</u>	<u>\$ -</u>	<u>\$ 7,150,935</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 1,824,793
2017	1,824,793
2018	1,659,062
2019	1,003,590
2020	-
Thereafter	-
	<u>\$ 6,312,238</u>

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid all required contributions for the current fiscal year.

NOTE 12 - POST EMPLOYMENT BENEFIT COMMITMENTS

Teacher Health Insurance Security Fund (THIS)

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

Teacher Health Insurance Security Fund (THIS) (Continued)

employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

➤ **On behalf contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$669,046, and the District recognized revenue and expenditures of this amount during the year.

➤ **Employer contributions to THIS Fund**

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$500,222 to the THIS Fund, which was 100% of the required contribution

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

NOTE 13 - INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2016:

Transfer from	Transfer to	Amount
Working Cash Fund	Illinois Municipal Retirement/ Social Security Fund	\$ 25,000

The transfer was made to move Working Cash Fund interest to the Illinois Municipal Retirement/Social Security Fund.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 - RISK MANAGEMENT (Continued)

year 2016 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is also a member of the Illinois Counties Risk Management Trust, a joint risk management pool of public entities and governmental taxing bodies through which workers' compensation coverage is provided.

NOTE 15 - SELF INSURANCE

The District self-insures a portion of its employees' health care benefits which provides group medical coverage. A third party administrator has been contracted to manage the plan. Stop loss insurance has been obtained for losses in excess of certain limitations. At June 30, 2016 the liability for unpaid claims was \$582,755. A reconciliation of changes in the aggregate liabilities for claims for the past three years is as follows:

	Fiscal Year Ending June 30		
	2016	2015	2014
Claims Liabilities - Beginning of Year	\$ 399,244	\$ 310,345	\$ 226,403
Incurred Claims	8,342,934	5,998,077	5,657,017
Payments on Claims	(8,159,423)	(5,909,178)	(5,573,075)
Claims Liabilities - End of Year	<u>\$ 582,755</u>	<u>\$ 399,244</u>	<u>\$ 310,345</u>

NOTE 16 - CONSTRUCTION COMMITMENTS

The District has numerous summer construction projects and the construction of a new school in progress at June 30, 2016. As of June 30, 2016 the District estimates it will cost \$29,159,806 to complete these projects. The District has paid \$20,359,796 on these contracts as of the end of the fiscal year.

NOTE 17 - CONTINGENCIES

The District is involved in litigation regarding the termination of an employee who alleges Breach of Contract, Violation of Whistleblower's Act, and violation of the Illinois False Claims Act. This matter is currently in the discovery stage. The maximum possible exposure to the District in the matter is \$250,000 – \$350,000.

A District employee filed an equal employment opportunity commission claim against the District alleging age, the basis of their disability in violation of the American with Disabilities Act, and retaliation for engaging in protected activity. The maximum possible exposure to the District in this matter is approximately \$273,987 to \$428,105, which represents the employee's anticipated total salaries from the 2013-2014 through 2016-2017 school year.

The District is also involved in litigation regarding the termination of three employees who filed charges with Illinois Department of Human Rights, alleging they were discharged due to age in violation of the Age Discrimination in Employment Act. The matter is still being investigated to determine the range of potential loss.

NOTE 18 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 18 - LEGAL DEBT LIMITATION (Continued)

2015 EAV	\$ 548,979,432
Rate	6.90%
Debt Margin	\$ 37,879,581
Current Debt	34,070,000
Remaining Debt Margin	\$ 3,809,581

NOTE 19 - SUBSEQUENT EVENTS

After year-end the District was informed by the State that a portion of their fiscal year 2016 special education expenses needed to be paid from the general state aid funding in order to ensure that the State properly demonstrated maintenance of fiscal effort for IDEA Part B Flow Through. For the year ended June 30, 2016, \$20,920 of the District's special education expenses (in State expense line item 1200) was paid with general state aid.

The District has evaluated subsequent events through October 31, 2016, the date on which the financial statements were available to be issued.

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended June 30, 2016, the District has implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement further clarifies how the fair value is determined for assets and liabilities. The Statement also requires additional disclosures about the fair value measurement of the investments held by the District (see Note 3).

SUPPLEMENTAL FINANCIAL INFORMATION

CICERO PUBLIC SCHOOL DISTRICT NO. 99
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2016

	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,670,463	\$ 1,752,813
Interest	4,636,707	4,152,570
Differences Between Expected and Actual Experience	1,329,445	470,745
Changes in Assumptions	90,508	2,292,715
Benefit Payments, Including Refunds of Member Contributions	(2,153,714)	(2,026,216)
Net Change in Total Pension Liability	<u>\$ 5,573,409</u>	<u>\$ 6,642,627</u>
Total Pension Liability - Beginning	<u>62,146,926</u>	<u>55,504,299</u>
Total Pension Liability - Ending	<u>\$ 67,720,335</u>	<u>\$ 62,146,926</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 1,769,885	\$ 1,642,699
Contributions - Member	733,650	677,940
Net Investment Income	283,944	3,224,456
Benefit Payments, Including Refunds of Member Contributions	(2,153,714)	(2,026,216)
Other	(1,046,838)	382,253
Net Change in Plan Fiduciary Net Position	<u>\$ (413,073)</u>	<u>\$ 3,901,132</u>
Plan Net Position - Beginning	<u>56,613,856</u>	<u>52,712,724</u>
Plan Net Position - Ending	<u>\$ 56,200,783</u>	<u>\$ 56,613,856</u>
District's Net Pension Liability	<u>\$ 11,519,552</u>	<u>\$ 5,533,070</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.99%	91.10%
Covered-Employee Payroll	\$ 16,075,248	\$ 14,919,645
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	71.66%	37.09%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 JUNE 30, 2016

	6/30/2016 *	6/30/2015 *
Actuarial Determined Contribution	\$ 1,769,885	\$ 1,635,193
Contributions in Relation to Actuarially Determined Contribution	<u>1,769,885</u>	<u>1,642,699</u>
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ (7,506)</u>
Covered-Employee Payroll	\$ 16,075,248	\$ 14,919,645
Contributions as a Percentage of Covered-Employee Payroll	11.01%	11.01%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2015 Contribution Rate *

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period until remaining period reaches 15 years (then 15-year rolling period)

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 4%

Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 4.40% to 16%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward ten years.

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 JUNE 30, 2016

	6/30/2016	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0378639%	0.0379295%
Employer's proportionate share of the Net Pension Liability	\$ 24,804,656	\$ 23,083,233
State's proportionate share of the Net Pension Liability associated with the employer	<u>397,921,498</u>	<u>365,737,172</u>
Total	<u><u>\$ 422,726,154</u></u>	<u><u>\$ 388,820,405</u></u>
Employer's Covered-Employee Payroll	\$ 61,457,405	\$ 59,272,037
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	40.36%	38.94%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	41.50%	43.00%

* - The amounts presented were determined as of the prior fiscal-year end

Changes of Assumptions: Amounts reported in 2015 reflect an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and salary increases of 5.75%.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 JUNE 30, 2016

	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-required contribution	\$ 1,327,116	\$ 1,352,416
Contributions in relation to the statutorily - required contribution	<u>1,327,116</u>	<u>1,352,416</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 61,457,405	\$ 59,272,037
Contributions as a percentage of Covered-Employee Payroll	2.16%	2.28%

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
COMPUTATION OF OPERATING EXPENSE PER PUPIL
AND PER CAPITA TUITION CHARGE
FOR THE YEAR ENDED JUNE 30, 2016

OPERATING EXPENSE PER PUPIL

EXPENDITURES:

ED	Total Expenditures	\$ 107,273,050
O&M	Total Expenditures	9,582,105
DS	Total Expenditures	8,242,056
TR	Total Expenditures	4,556,597
MR/SS	Total Expenditures	3,871,445
TORT	Total Expenditures	1,746,890
	Total Expenditures	\$ 135,272,143

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

TR	1412	Regular - Transp Fees from Other Districts (In State)	\$ 98,741
ED	1125	Pre-K Programs	1,330,004
ED	1225	Special Education Programs Pre-K	674,513
ED	1600	Summer School Programs	215,756
ED	1911	Regular K-12 Programs - Private Tuition	277,833
ED	1912	Special Education Programs K-12 - Private Tuition	1,844,158
ED	3000	Community Services	605,022
ED	4000	Total Payments to Other District & Govt Units	541,057
ED	-	Capital Outlay	31,947
ED	-	Non-Capitalized Equipment	310,396
O&M	-	Capital Outlay	196,971
O&M	-	Non-Capitalized Equipment	204,639
DS	5300	Debt Service - Payments of Principal on Long-Term Debt	6,250,000
TR	-	Non-Capitalized Equipment	42,975
MR/SS	1125	Pre-K Programs	59,548
MR/SS	1225	Special Education Programs - Pre-K	25,820
MR/SS	1600	Summer School Programs	12,878
MR/SS	3000	Community Services	7,564
		Total Deductions	\$ 12,729,822
		Total Operating Expenses (Regular K-12)	\$ 122,542,321
		9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12)	10,950.32
		Estimated OEPP *	\$ 11,190.75

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

ED	1600	Total Food Service	\$ 157,012
ED-O&M	1700	Total District/School Activity Income	3,054
ED	1890	Other (Describe & Itemize)	105
ED-O&M	1910	Rentals	27,163
ED-O&M-TR	3100	Total Special Education	5,017,472
ED-O&M-MR/SS	3200	Total Career and Technical Education	12,717
ED-MR/SS	3300	Total Bilingual Ed	1,947,445
ED	3360	State Free Lunch & Breakfast	51,969
ED-O&M-TR-MR/SS	3500	Total Transportation	2,793,993
ED-O&M-DS-TR-MR/SS-Tort	3999	Other Restricted Revenue from State Sources	7,604
ED-MR/SS	-	Total Food Service	6,334,005
ED-O&M-TR-MR/SS	-	Total Title I	4,932,013
ED-O&M-TR-MR/SS	4620	Fed - Spec Education - IDEA - Flow Through/Low Incidence	2,416,013
ED-O&M-DS-TR-MR/SS-Tort	4800	Total ARRA Program Adjustments	392,652
ED-TR-MR/SS	4905	Emergency Immigrant Assistance	6,643
ED-TR-MR/SS	4909	Title III - English Language Acquisition	711,350
ED-O&M-TR-MR/SS	4932	Title II - Teacher Quality	382,764
ED-O&M-TR-MR/SS	4991	Medicaid Matching Funds - Administrative Outreach	615,594
ED-O&M-TR-MR/SS	4992	Medicaid Matching Funds - Fee-for-Service Program	853,208
		Total Allowance for PCTC Computation	\$ 26,662,776
		Net Operating Expense for PCTC Computation	95,879,545
		Total Depreciation Allowance (from page 27, Col I)	7,041,020
		Total Allowance for PCTC Computation	102,920,565
		9 Mo ADA	10,950.32
		Total Estimated PCTC *	\$ 9,398.86

Unaudited

CICERO PUBLIC SCHOOL DISTRICT NO. 99
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
OPERATIONS AND MAINTENANCE FUND
AT JUNE 30, 2016

	<u>OPERATIONS AND MAINTENANCE</u>	<u>SPECIAL EDUCATION</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 8,704,920	\$ 792,143	\$ 9,497,063
Total Assets	<u>\$ 8,704,920</u>	<u>\$ 792,143</u>	<u>\$ 9,497,063</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE			
Fund Balance			
Reserved	\$ -	\$ 792,143	\$ 792,143
Unreserved			
Undesignated	8,704,920	-	8,704,920
Total Fund Balance	<u>\$ 8,704,920</u>	<u>\$ 792,143</u>	<u>\$ 9,497,063</u>
Total Liabilities and Fund Balance	<u>\$ 8,704,920</u>	<u>\$ 792,143</u>	<u>\$ 9,497,063</u>

See Accompanying Independent Auditors' Opinion

CICERO PUBLIC SCHOOL DISTRICT NO. 99
COMBINING SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED
OTHER FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	OPERATIONS AND MAINTENANCE	SPECIAL EDUCATION	TOTAL
REVENUE RECEIVED			
Local Sources	\$ 3,967,977	\$ 33,623	\$ 4,001,600
State Sources	<u>7,000,000</u>	-	<u>7,000,000</u>
	<u><u>\$ 10,967,977</u></u>	<u><u>\$ 33,623</u></u>	<u><u>\$ 11,001,600</u></u>
EXPENDITURES DISBURSED			
Support Services	\$ 9,582,105	\$ -	\$ 9,582,105
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ 1,385,872	\$ 33,623	\$ 1,419,495
OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ 1,385,872	\$ 33,623	\$ 1,419,495
FUND BALANCE - JULY 1, 2015	<u>7,319,048</u>	<u>758,520</u>	<u>8,077,568</u>
FUND BALANCE - JUNE 30, 2016	<u><u>\$ 8,704,920</u></u>	<u><u>\$ 792,143</u></u>	<u><u>\$ 9,497,063</u></u>

See Accompanying Independent Auditors' Opinion

CICERO PUBLIC SCHOOL DISTRICT NO. 99
COMBINING SCHEDULE OF REVENUE RECEIVED
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>OPERATIONS AND MAINTENANCE</u>	<u>SPECIAL EDUCATION</u>	<u>TOTAL</u>
REVENUE RECEIVED			
Local Sources			
Ad Valorem Taxes Levied			
Designated Purpose Levies	\$ 2,894,856	\$ -	\$ 2,894,856
Special Education Purpose Levy	- -	28,106	28,106
Payments in Lieu of Taxes			
Corporate Personal Property Replacement Taxes	923,588	- -	923,588
Interest on Investments	53,486	5,517	59,003
Rentals	27,163	- -	27,163
Refund of Prior Years' Expenditures	4,288	- -	4,288
Other Local Revenues	64,596	- -	64,596
Total Local Sources	<u>\$ 3,967,977</u>	<u>\$ 33,623</u>	<u>\$ 4,001,600</u>
State Sources			
Unrestricted Grants-In-Aid			
General State Aid - Sec. 18-8	\$ 7,000,000	\$ - -	\$ 7,000,000
Total State Sources	<u>\$ 7,000,000</u>	<u>\$ - -</u>	<u>\$ 7,000,000</u>
Total Direct Revenue	<u><u>\$ 10,967,977</u></u>	<u><u>\$ 33,623</u></u>	<u><u>\$ 11,001,600</u></u>

See Accompanying Independent Auditors' Opinion

CICERO PUBLIC SCHOOL DISTRICT NO. 99
COMBINING SCHEDULE OF EXPENDITURES DISBURSED
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>OPERATIONS AND MAINTENANCE</u>	<u>SPECIAL EDUCATION</u>	<u>TOTAL</u>
EXPENDITURES DISBURSED			
Support Services			
Business			
Operation and Maintenance of Plant Services			
Salaries	\$ 5,177,533	\$ -	\$ 5,177,533
Employee Benefits	954,786	-	954,786
Purchased Services	1,185,610	-	1,185,610
Supplies and Materials	1,862,566	-	1,862,566
Capital Outlay	196,971	-	196,971
Non-Capitalized Equipment	204,639	-	204,639
Total Support Services - Business	<u>\$ 9,582,105</u>	<u>\$ -</u>	<u>\$ 9,582,105</u>
Total Support Services	<u>\$ 9,582,105</u>	<u>\$ -</u>	<u>\$ 9,582,105</u>
Total Direct Expenditures	<u><u>\$ 9,582,105</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,582,105</u></u>

See Accompanying Independent Auditors' Opinion

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Cicero Public School District No. 99
Cicero, Illinois

Report on Compliance for Each Major Federal Program

We have audited

Cicero Public School District No. 99's

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cicero Public School District No. 99's major federal programs for the year ended June 30, 2016. Cicero Public School District No. 99's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cicero Public School District No. 99's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cicero Public School District No. 99's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cicero Public School District No. 99's compliance.

eder, casella
ec & co.

Opinion on Each Major Federal Program

In our opinion, Cicero Public School District No. 99, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Cicero Public School District No. 99 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cicero Public School District No. 99's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cicero Public School District No. 99's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 31, 2016

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ¹ (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ²		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
U.S. Department of Agriculture Passed Through									
Food Service Management Company									
Food Donation Program (M)	10.555	16-4299-00		5,480		5,480		5,480	N/A
U.S. Department of Agriculture Passed Through									
Food Service Management Company									
Food Donations Program (M)	10.555	16-4299-00		530,897		530,897		530,897	N/A
U.S. Department of Agriculture Passed Through									
Illinois State Board of Education:									
National School Lunch Program (M)	10.555	15-4210-00	3,978,072	912,227	3,978,072	912,227		4,890,299	N/A
National School Lunch Program (1) (M)	10.555	16-4210-00		3,914,310		3,914,310		3,914,310	N/A
School Breakfast Program (M)	10.553	15-4220-00	1,061,263	277,622	1,061,263	277,622		1,338,885	N/A
School Breakfast Program (1) (M)	10.553	16-4220-00		1,229,846		1,229,846		1,229,846	N/A
Subtotal CFDA "10"			5,039,335	6,870,382	5,039,335	6,870,382		11,909,717	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ¹ (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues Year 7/1/14-6/30/15 (C)	Receipts/Revenues Year 7/1/15-6/30/16 (D)	Expenditure/Disbursements ⁴ Year 7/1/14-6/30/15 (E)	Expenditure/Disbursements ⁴ Year 7/1/15-6/30/16 (F)	Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
U.S. Department of Education Passed Through									
Illinois State Board of Education									
Title I - Low Income	84.010A	15-4300-00	4,133,338	1,191,602	4,567,119	757,821	0	5,324,940	5,911,916
Title I - Low Income (2)	84.010A	16-4300-00		3,740,411		4,327,976	1,201,361	5,529,337	6,244,921
Special Education - Preschool Grants	84.173A	15-4600-00	33,892	16,580	45,009	5,463	0	50,472	85,475
Special Education - Preschool Grants	84.173A	16-4600-00		25,193		47,583	14,995	62,578	111,498
Special Education - Grants to States	84.027A	15-4620-00	1,815,391	1,016,329	2,468,633	363,087	0	2,831,720	2,986,802
Special Education - Grants to States	84.027A	16-4620-00		1,399,684		2,201,648	373,530	2,575,178	2,783,459
Title III - Immigrant Education Program (M)	84.365A	15-4905-00	5,191	6,643	5,472	6,362	0	11,834	21,904
Title III - Immigrant Education Program (2) (M)	84.365A	16-4905-00		0		2,517	0	2,517	26,195
Title III - LIPLEP (M)	84.365A	15-4909-00	477,773	471,794	838,353	111,214	0	949,567	1,020,059
Title III - LIPLEP (2) (M)	84.365A	16-4909-00		239,556		384,113	0	384,113	930,742
Title II - Teacher Quality	84.367A	15-4932-00	428,398	125,520	494,692	59,226	0	553,918	830,205
Title II - Teacher Quality (2)	84.365A	16-4932-00		257,244		326,578	103,675	430,253	793,399
Subtotal CFDA "84"			6,893,983	8,490,556	8,419,278	8,593,588	1,693,561	18,706,427	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2016

- (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

3 When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Cicero Public School District No. 99 under programs of the federal government of the year ended June 30, 2016. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2016.

NOTE 4 - FEDERAL LOANS

There was no federal loans or loan guarantees outstanding at year end.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

ADVERSE

(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported
- Noncompliance material to financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported

Type of auditor's report issued on compliance for major programs:

UNMODIFIED

(Unmodified, Qualified, Adverse, Disclaimer⁷)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)?

YES X NO

IDENTIFICATION OF MAJOR PROGRAMS.⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
10.555 & 10.553	CHILD NUTRITION CLUSTER
84.365A	TITLE III - IMMIGRANT EDUCATION PROGRAM

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000.00

Auditee qualified as low-risk auditee?

YES X NO

⁷ If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

⁸ Major programs should generally be reported in the same order as they appear on the SEFA.

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2016- N/A** 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

For ISBE Review

Date: _____

Resolution Criteria Code Number

Initials: _____

Disposition of Questioned Costs Code Letter

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2014 would be assigned a reference number of 2014-001, 2014-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2016

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2016- N/A 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____

5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

For ISBE Review

Date: _____

Resolution Criteria Code Number

Initials: _____

Disposition of Questioned Costs Code Letter

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2016

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
NONE		

When possible, all prior findings should be on the same page

¹⁹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2016**

Corrective Action Plan

Finding No.: **2016- N/A**

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person:

Management Response:

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.